



Sustainable  
Land Use

PRELIMINARY  
RESULTS  
FY2023



## FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of the preparation of this presentation.

Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

The Directors undertake no obligation to update any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise.

# Strong operational delivery; robust cash generation

## STRONG FINANCIAL CAPABILITY

**€90.8m**

Operating profit (FY22 €119.7m)

**53.16 cent**

Adjusted EPS (FY22: 71.53 cent)

**€104.4m**

Free Cash Flow (178.2% FCF conversion)

**12.6%**

ROCE (Target range 12 -15%)

**16.8 cent**

Total Dividend (2022: 16.0 cent)

Progressing well towards achieving CMD 2022 targets

## EFFECTIVE OPERATIONAL EXECUTION

- > Strong performance in volatile operational trading conditions
- > Q4 recovery in Northern Hemisphere, following Q3 weather
- > Strong organic growth in our LATAM business
- > Post year end - Ukraine business will wind down at the end of September



<sup>1</sup>Operating profit

## STRATEGY EVOLUTION

Expansion of Group's Amenity, Environmental and Ecology business

Driven by Acquisitions



Progressing ESG Strategy



Creation of Carbon Transition Plan to 2032



Setting of Science Based Targets ('SBTI')



Development of the Company's Sustainability / Environmental Policy

Investing for Growth



Production expansion



ERP implementation



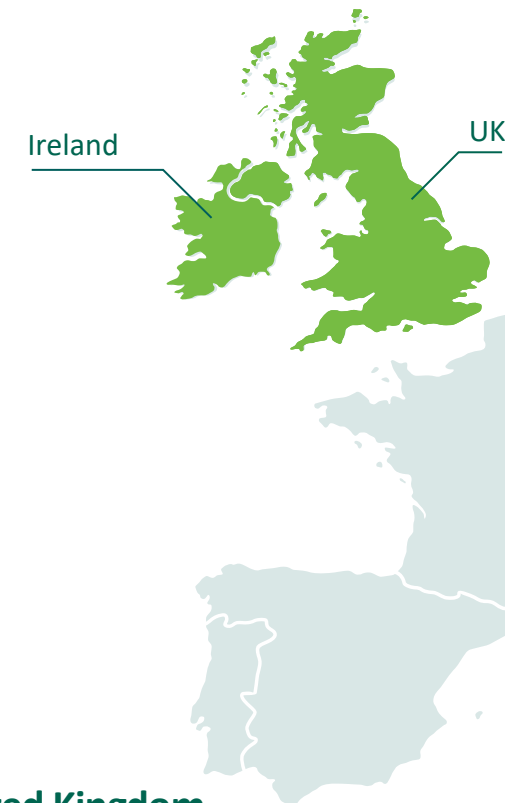
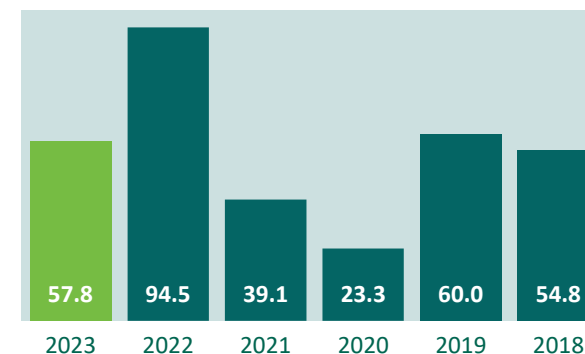
Fast-tracking Biologicals

# Trading Review

## Ireland and the United Kingdom

- > Return to more normalised trading conditions as commodity markets softened through H2.
- > Underlying volume reduced by 7.4%, primarily reflecting:
  - Fertiliser raw material price volatility
  - Impact of weather on crop protection volumes
  - Partially offset by strong demand across seed portfolio
- > Encouraging innovation pipeline spanning our nutrition, BioSolutions and digital portfolios.
- > Delivered strong growth within our Amenity, Environmental and Ecology division and broadened our service and product capability through acquisition.

### Operating Profit (€'m)



### Operational Review – Ireland and the United Kingdom

	Change on prior year				
	2023 €'m	2022 €'m	Change %	Underlying <sup>3</sup> %	Constant Currency <sup>4</sup> %
Revenue	1,641.8	1,614.4	1.7%	2.6%	4.0%
Operating profit <sup>1</sup>	57.8	94.5	(38.8%)	(41.1%)	(37.2%)
Operating margin <sup>1</sup>	3.5%	5.9%	(240bps)	(250bps)	(230bps)
Associates and joint venture <sup>2</sup>	4.0	6.8	(41.0%)	(40.4%)	(40.4%)

1. Before amortisation of non-ERP intangible assets and exceptional items
2. Profit after interest and tax before exceptional items
3. Excluding currency movements and the impact of acquisitions and disposals
4. Excluding currency movements

# Ireland and the United Kingdom

Accelerating our participation in the Amenity, Environmental and Ecology markets

Established position as a leading provider of sports turf solutions



Recent acquisitions strengthen our presence in landscaping and nature-based solutions, and entry into environmental and ecology markets

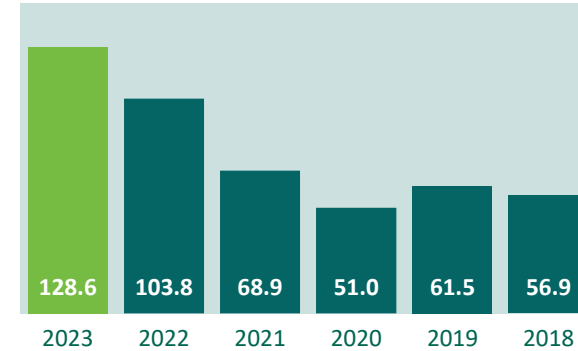
## Products



## Advice & Services



## Revenue (€'m)



## Operational Review: Amenity, Environmental and Ecology

	Change on prior year		
	2023 €'m	2022 €'m	Change %
Revenue	128.6	103.8	23.9%
Operating profit <sup>1</sup>	11.1	8.8	26.1%
Operating margin <sup>1</sup>	8.6%	8.4%	20bps

1. Before amortisation of non-ERP intangible assets and exceptional items

**Share of Group operating profits increased to 12.2% (2022: 7.3%)**

# Trading Review

## Continental Europe

### > Delivered a solid performance in FY2023

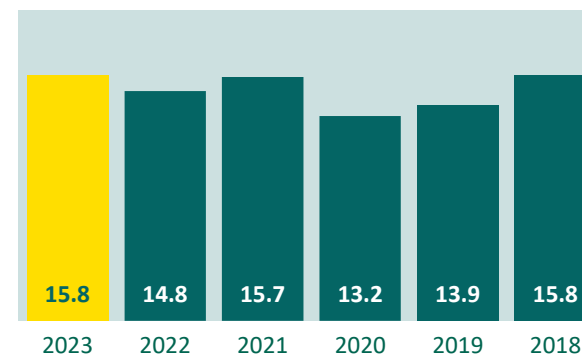
- Underlying volume reduced by 18.2%, driven by Ukraine and pricing impact of volatile fertiliser raw material prices
- Strong performance in Romania, supported by a robust planted area and generally favourable growing conditions
- Poland delivered a good performance – delivering a reduction in working capital year-on-year

### > Farm sentiment in the region is cautious as commodity price volatility delays purchasing decisions

### > Investment in product capacity expansion across both Poland and Romania to meet growing demand for own products

### > Ukraine operations will close at the end of September 2023 – minimal impact on regional operating profit following closure

### Operating Profit (€'m)



### Operational Review - Continental Europe<sup>1</sup>

	Change on prior year				
	2023 €'m	2022 €'m	Change %	Underlying <sup>3</sup> %	Constant Currency <sup>4</sup> %
Revenue	464.6	461.8	0.6%	2.4%	2.4%
Operating profit <sup>2</sup>	15.8	14.8	6.6%	5.1%	5.1%
Operating margin <sup>2</sup>	3.4%	3.2%	20bps	10bps	10bps

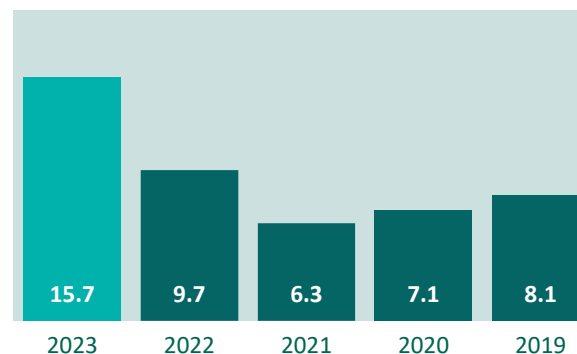
1. Excluding crop marketing. While crop marketing has a significant impact on revenue, its impact on operating profit is less significant. For the year ending 31 July 2023 crop marketing revenues and profits attributable to Continental Europe amounted to €231.7 million and €1.5 million respectively (2022: €192.7 million and €0.8 million respectively). An analysis of revenues, profits and margins attributable to agronomy services and inputs more accurately reflects the underlying drivers of business performance
2. Before amortisation of non-ERP intangible assets and exceptional items
3. Excluding currency movements and the impact of acquisitions
4. Excluding currency movements

# Trading Review

## Latin America

- > **Underlying volume increased by 30.1%, following expansion of product range and increased production throughput**
  - Investments have been made in the organisational structure, including the expansion of the sales team
  - Further investment underway to alleviate production constraints and support growth demand over next 3-4 years
  
- > **F1rst AgBiotech successfully launched in late FY23, performing in line with expectations**
  
- > **Performance benefited from favourable YOY currency movements**
  
- > **35% Put/Call completed post year end**

### Operating Profit (€'m)



### Operational Review - Latin America

	Change on prior year				
	2023 €'m	2022 €'m	Change %	Underlying <sup>2</sup> %	Constant Currency <sup>3</sup> %
Revenue	118.1	73.2	61.3%	48.5%	48.5%
Operating profit <sup>1</sup>	15.7	9.7	62.1%	47.3%	47.3%
Operating margin <sup>1</sup>	13.3%	13.2%	10bps	(10bps)	(10bps)

1. Before amortisation of non-ERP intangible assets and exceptional items
2. Excluding currency movements and the impact of acquisitions
3. Excluding currency movements

# FINANCIAL PERFORMANCE





# FY 2023 Financial Summary



## PERFORMANCE

### REVENUE

**€2,456.2m**

+5.5% Underlying revenue

### OPERATING PROFIT

**€90.8m**

2022: €119.7m

### ROCE

**12.6%**

Target Range 12-15%

### ADJUSTED EPS

**53.16c**

2022: 71.53c



## CASH & DEBT

### FREE CASH FLOW

**€104.4m**

2022: €108.5m

### NET CASH

**€53.2m**

2022: €43.4m



## Capital Allocation

### ACQUISITIONS

**€30.1m**

2022: €1.5m

### STRATEGIC CAP-EX

**€28.3m**

2022: €17.2m

### TOTAL DIVIDEND

**16.8 cent**

2022: 16.0 cent

### SHARE BUYBACK

**€20.0m**

2022: €40.0m

# Strategic Ambition

Cumulative targets FY22 to FY26



2017-2021  
Historic  
performance



FY22– FY26  
CMD 2022 Target



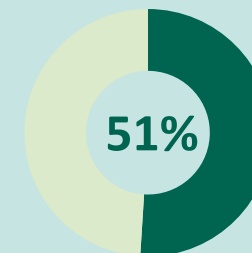
% of CMD target  
Delivered to date

Cumulative Group  
Operating Profit

€329m

Cumulative Group  
Operating Profit

€415m



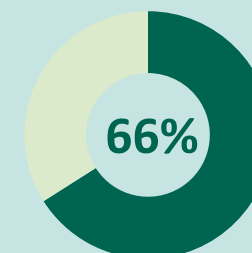
Free Cash flow

€257m

Free Cash Flow

€325m

>80%  
Average cash  
conversion



150%  
Average cash  
conversion

# Cash Flow and Balance Sheet

Significant cash generation and strong balance sheet

Cashflow	FY 2023	FY 2022
Free cash flow (FCF)	€104.4m	€108.5m
FCF Conversion %	178.2%	130.5%
Target	>80%	

> **Strong operating performance**

> **Return on Capital Employed (“ROCE”) of 12.6%**

Balance Sheet	FY 2023	FY 2022
Net Cash	€53.2m	€43.4m
Net Debt: adjusted EBITDA	-	-
Adjusted EBIT: Net Financing Costs	8.57x	13.83x

## Debt facilities:

€400m (2022: €400m), with pricing linked to ESG performance.

## RCF Maturity:

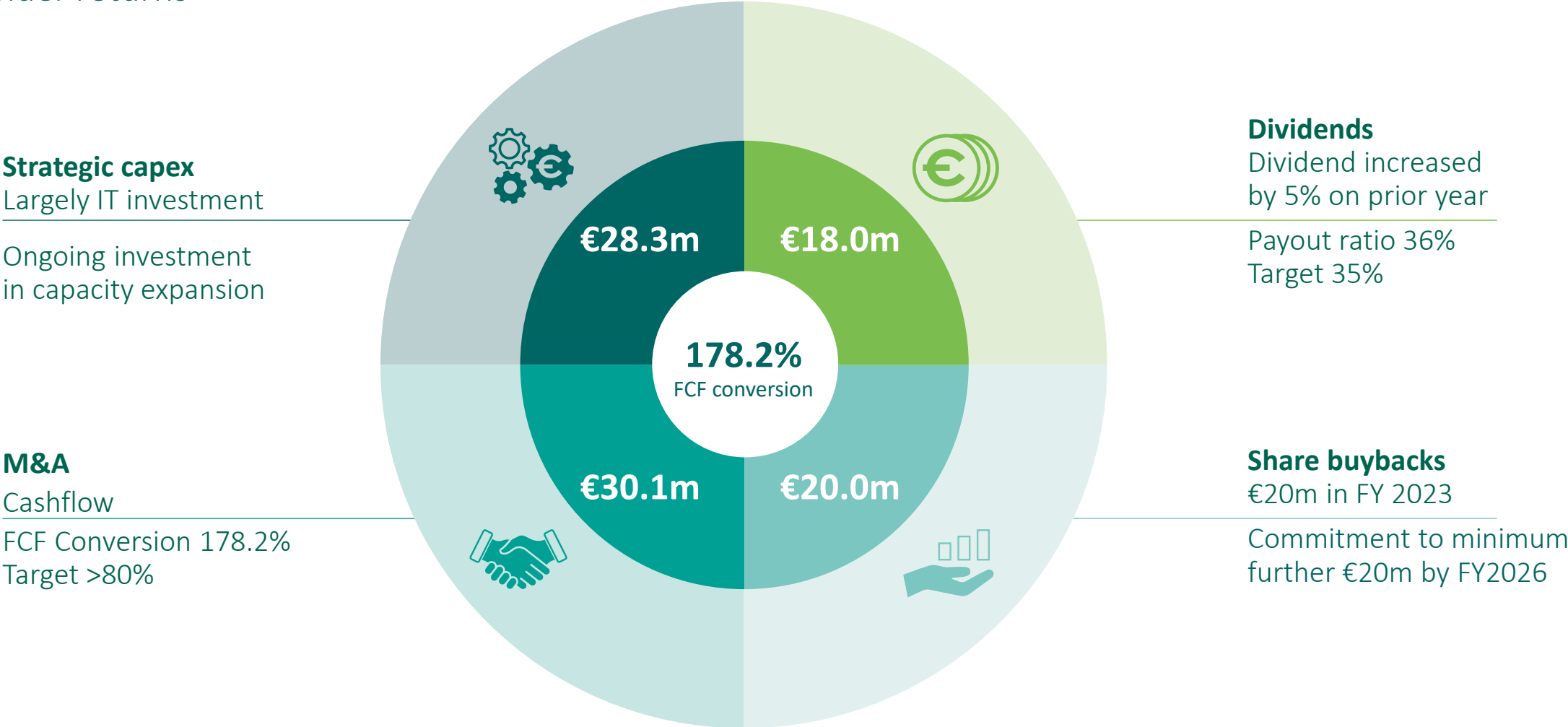
€366.2m expiry 2026

€33.8m expiry 2024

# Capital Allocation Framework

Focused on Free Cash Flow (“FCF”) generation.

Disciplined approach to capital allocation, with prudent financial policies designed to balance growth and shareholder returns



# STRATEGIC UPDATE

A photograph of an older man with grey hair, wearing a red shirt and dark overalls, carrying a young child in his arms. They are standing in a lush green cornfield at sunset. The sun is low on the horizon, creating a warm, golden glow. The man is pointing towards the horizon. A large, stylized sunburst graphic is overlaid on the left side of the image, framing the text.

Sustainable  
Land Use

# Our Strategy

## Optimising sustainable land use through innovation and integrated solutions



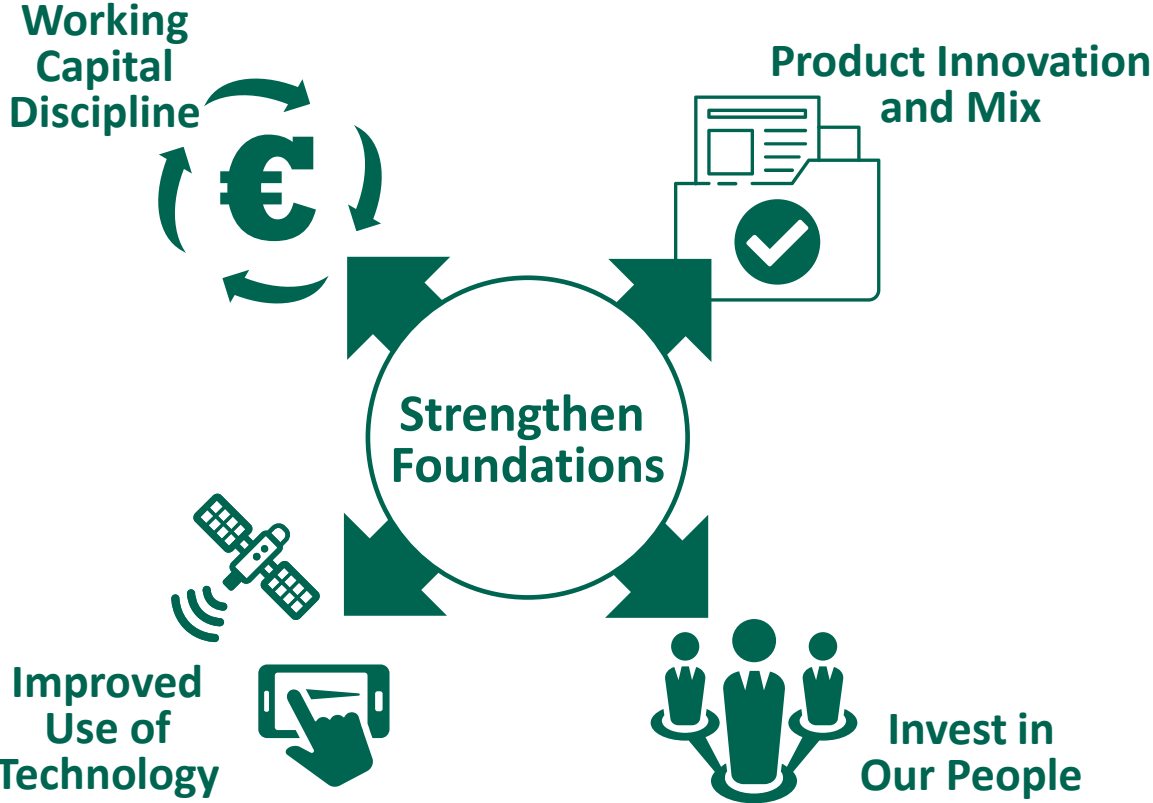
# Delivering on our strategy

## FY 23 Achievements

## Strategic Focus for FY24

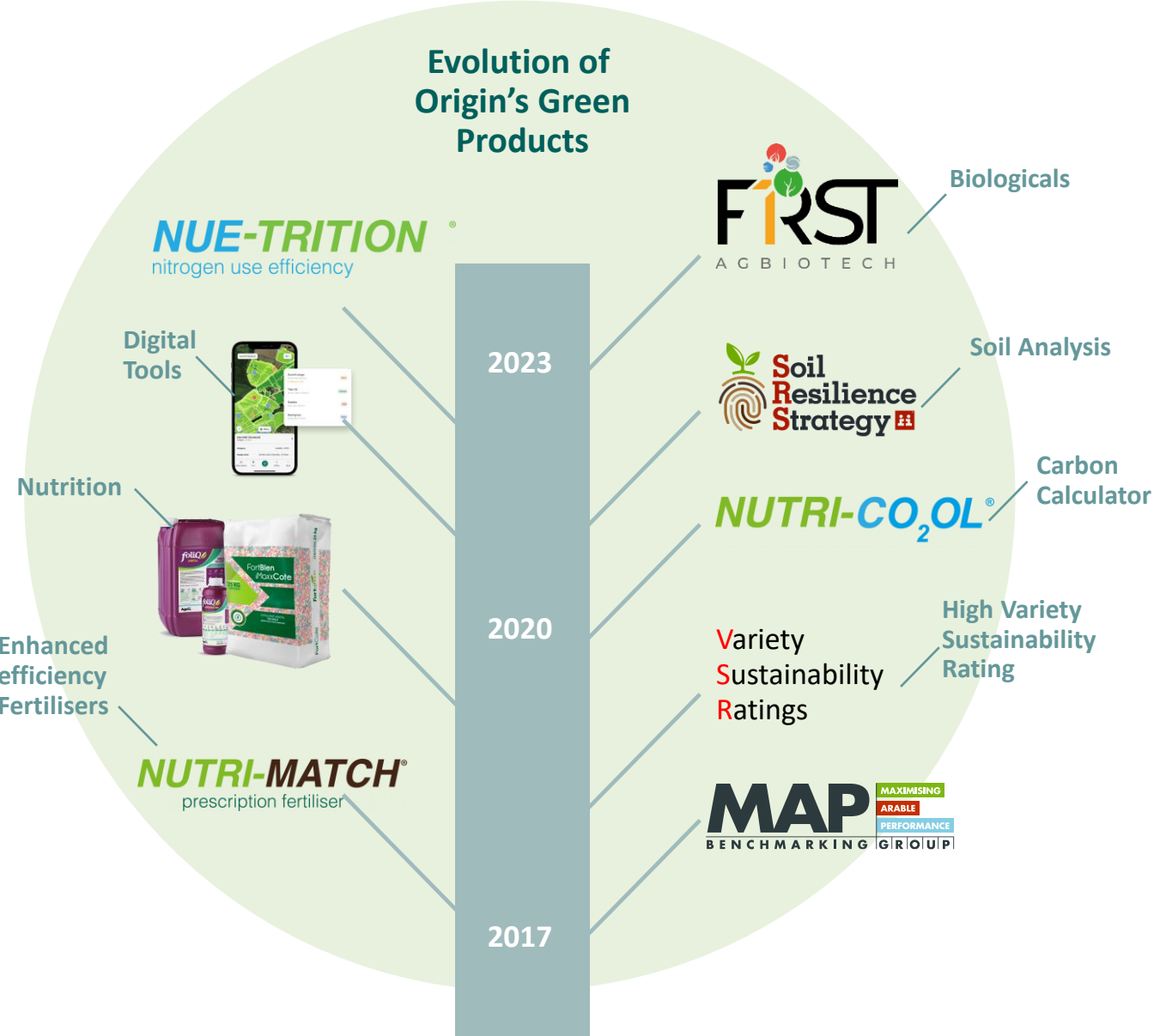
 <p>1. Building and maintaining customer-centric, market-leading business models</p>	<ul style="list-style-type: none"><li>&gt; Promotion of agronomic best practices such integrated pest management principles</li><li>&gt; Continuous investment in digital agronomy, including a groundbreaking space-based grass measurement capability and nutrient management planner</li><li>&gt; Roll out of ERP implementation in Ireland &amp; UK</li></ul>	<ul style="list-style-type: none"><li>&gt; Initiating research aimed at increasing Nitrogen use efficiency in crops by 20%</li><li>&gt; Continuing to scale Agrii's Maximising Arable Performance (MAP) benchmarking project</li></ul>
 <p>2. Transitioning our product and services portfolio</p>	<ul style="list-style-type: none"><li>&gt; Fast tracking trials &amp; development of biologicals</li><li>&gt; F1rst Agbiotech business launched in Brazil</li><li>&gt; Enhancing Nitrogen Use efficiency through product development our fertiliser divisions</li><li>&gt; Expansion of foliar fertiliser capabilities in Poland</li></ul>	<ul style="list-style-type: none"><li>&gt; Development of Micro pack production and fertiliser coating facilities in Romania</li><li>&gt; Further investment in Lat-AM production capacity</li><li>&gt; Development of natural inhibitors</li></ul>
 <p>3. Accelerating our participation in environmental and ecological markets</p>	<ul style="list-style-type: none"><li>&gt; Established new Amenity, Environmental and Ecology division</li><li>&gt; Expansion of landscaping &amp; forestry product offering</li></ul>	<ul style="list-style-type: none"><li>&gt; Active M&amp;A pipeline</li><li>&gt; Build out advice &amp; services base</li><li>&gt; Expansion of distribution outlets</li><li>&gt; Enhance on-line capabilities</li></ul>

# Delivering on 2022 CMD objectives





# Enabling a net zero environment Through science led innovation



## FY 2023 ESG Achievements

CO<sub>2</sub>



Creation of Carbon Transition Plan to 2032

Setting of Science Based Targets ('SBTi')



Development of the Company's Sustainability / Environmental Policy

Creation of the Company's Environmental Management System ('EMS')



Improvement in CDP rating

Improvement in Sustainability and MSCI rating

## Summary

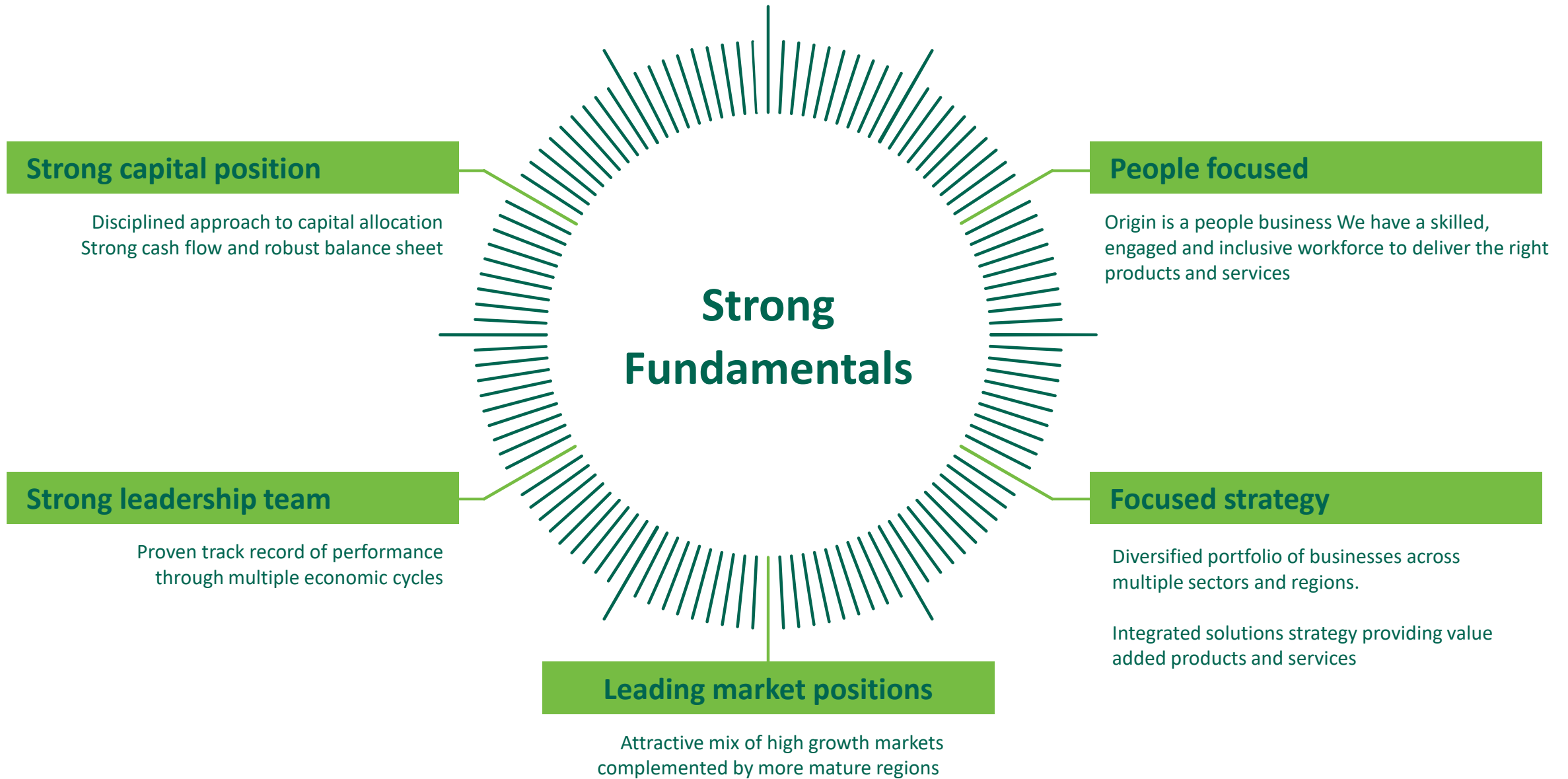
- Strong overall performance in context of volatile commodity markets
  - M&A supports the diversification of earnings, complements our organic growth strategy and broadens our offering in the emerging nature economy
  - Ongoing investment in strategic capex to meet demand through science-led innovation
  - Sustainability at the core of our customer offering, supported by commitment to best practice within our own operations
  - Cash generation and conversion rates surpassing Group targets
- Continue to pursue a disciplined approach to capital allocation to drive shareholder returns
    - › **Delivered ROCE within our targeted range at 12.6%**
    - › **Continue to invest in margin accretive organic and M&A growth**
    - › **Progressive dividend with strong yield**
    - › **€20m share buyback completed in FY2023**
  - Focus on driving sustainable growth and on track to deliver strategic ambitions as set out in our 2022 CMD



# Appendix

Sustainable  
Land Use

# Well positioned for future growth



# FY2023 Balance Sheet

Year ended 31 July

	2023	2022
	€'m	€'m
Tangible assets	180.2	163.7
Goodwill and intangible assets	299.9	252.0
Associates and joint venture	53.2	47.6
Working capital	(50.0)	(5.6)
Deferred and contingent acquisition consideration	(50.4)	(32.8)
Post employment benefit surplus	2.6	7.8
Provisions for liabilities	(5.3)	(2.5)
Net debt	(1.7)	(5.1)
Taxation – including deferred tax	(23.9)	(26.7)
Other	6.0	4.4
<b>Shareholders' funds</b>	<b>410.6</b>	<b>402.8</b>

# FY2023 Free Cash Flow

Year ended 31 July

	2023 €'m	2022 €'m
<b>EBITDA (excluding associates and joint venture)</b>	<b>99.5</b>	<b>130.4</b>
Interest paid	(11.5)	(8.0)
Tax paid	(19.7)	(26.2)
Routine capital expenditure	(7.9)	(6.9)
Working capital inflow	43.9	16.2
Dividends received	0.1	3.0
<b>Free Cash Flow</b>	<b>104.4</b>	<b>108.5</b>